



CALIFORNIA FARM BUREAU FEDERATION

OFFICE OF THE GENERAL COUNSEL

2300 RIVER PLAZA DRIVE, SACRAMENTO, CA 95833-3293 • PHONE (916) 561-5650 • FAX (916) 561-5691

DATE: MAY 11, 1999

TO: ALL CALIFORNIA COUNTY SUPERVISORS

FROM: JOHN R. GAMPER AND HENRY E. RODEGERDTS, ESQ

SUBJECT: OFFER OF LEGAL ASSISTANCE AND DOCUMENTS

California's Williamson Act program was significantly strengthened by the enactment of Farmland Security Zone (FSZ) legislation during the 1998 legislative session. (Chapter 353, Statutes of 1998) In an effort to assist you in the implementation of this important change in law, Farm Bureau's Legal Services Division has drafted the enclosed model resolution and FSZ contract. These documents are intended to serve as the legal foundation for your county's participation in this historic new program.

In enacting the FSZ program, the legislature sought to expand the options currently available to local governments and landowners desiring to protect agricultural land by encouraging the creation of longer-term, voluntary enforceable restrictions on farmland already in established agricultural preserves. Any rural California county, as well as those in transition, interested in enhancing the long-term security of their agricultural economy, should give serious consideration to establishing FSZs in appropriate areas. If your county is one of the few that does not currently participate in the Williamson Act, we would also be happy to work you and your staff to secure its adoption in your county.

By converting all or a portion of your county's agricultural preserves into FSZs and then entering into FSZ contracts with the owners of those agricultural properties, the land will be further encumbered beyond the restrictions already existing under a standard Williamson Act land preserve contract, in the following respects:

- The initial term of a FSZ contract is to be no less than 20 years. This is a rolling 20 years, similar in concept to the 10-year term of a land preserve contract, with an additional year being added automatically annually to the initial term until a notice of non-renewal is given.
- It was the intention of the legislation's author, its sponsor, and the Assembly Natural Resources Committee not to permit cancellation of a FSZ contract prior to the expiration of the remaining term following a notice of non-renewal. As the bill analysis of the Assembly Committee on Natural Resources states: "This bill does not provide for a similar cancellation of a farmland security zone contract".
- The compatible use provisions of the Williamson Act must be strictly adhered to on FSZ parcels. No allowance is made for conditioned uses to meet the required principles of compatibility.

NANCY N. McDONOUGH, GENERAL COUNSEL

ASSOCIATE COUNSEL:

CARL G. BORDEN • CAROLYN S. RICHARDSON • KAREN NORENE MILLS
RONALD LIEBERT • HENRY E. RODEGERDTS • BRENDA JAHNS SOUTHWICK

HONORABLE COUNTY SUPERVISOR
MAY 11, 1999
PAGE TWO

FSZ property will enhance the long-term economic viability of agricultural operations in the following ways:

- The property will receive a property tax valuation reduction of an additional 35 percent in accordance with the provisions of the new Revenue and Taxation Code Section 423.4.
- Any special tax approved by voters on or after January 1, 1999 on the land or its living improvements must be levied at a reduced rate unless the tax directly benefits the land or those living improvements.
- Land within a FSZ may not be annexed to a city unless the land is within an urban growth boundary, all or a portion of the FSZ parcel is necessary for the location of a public improvement, or the landowner consents.
- A local agency formation commission may not take any action that will result in the annexation of FSZ parcels to a special district providing services, non-agricultural water, streets, or roads unless these facilities or services benefit land uses allowed under the farm security zone contract and the landowner in addition consents to the annexation.
- A school district may not acquire the right to utilize land in a FSZ.

Only parcels designated on the Important Farmland Series Maps as prime farmland; farmland of statewide significance; unique farmland, or, farmland of local importance are eligible for FSZ designation. If the land is not designated on the Important Farmland Series maps, it will qualify if it is predominantly prime farmland as defined in the Williamson Act.

Farm Bureau believes the new FSZ contracts will provide added benefits, beyond those of the standard Williamson Act contract, to landowners, counties, and the state. The landowner will be compensated for the new land use restrictions through improved profitability because of the additional property tax relief, and increased security against incompatible nonfarming uses in FSZs. The county and its citizens will benefit from the added protection of open space areas on which there are more viable agricultural operations. Everyone will benefit from strengthened zoning criteria that are so crucial to the protection of our irreplaceable agricultural and natural resources. These resources not only contribute to the beauty of our state but also to the continued strength of a diverse California economy.

If you or your staff have any questions regarding this new program or the enclosed documents, please do not hesitate to contact us.

Enclosures: Resolution to Establish a Farmland Security Zone, etc.
Farmland Security Zone Contract

cc: County Counsels and Planning Directors
County Farm Bureau Presidents and Managers

**RESOLUTION OF COUNTY OF _____
TO ESTABLISH A FARMLAND SECURITY ZONE AND
ENTER INTO A FARMLAND SECURITY ZONE CONTRACT
WITHIN SUCH FARM SECURITY ZONE**

WHEREAS, the County of _____ desires to preserve its agricultural land base in order to maintain a viable agricultural production economy within the County; and

WHEREAS, the County desires to discourage the premature and unnecessary conversion of agricultural land to urban uses and to enhance the predictability of the future of viable economic agricultural production units in the County for those engaged in agricultural production; and

WHEREAS, the County considers it is in the public interest to encourage the maintenance of a healthy and vibrant agricultural economy in the County and state to ensure adequate healthful and nutritious food for the current residents of the County and state and for generations yet unborn; and

WHEREAS, the County has actively participated in the state's California Land Conservation Act of 1965, known as the Williamson Act (at Chapter 7 of Part 1 of Division 1 of Title 5 commencing with Section 51200 of the Government Code); and

WHEREAS, as part of the Williamson Act program, the County has entered into many land conservation contracts with property owners in the County; and

WHEREAS, the County desires to strengthen its agricultural land preservation program by participating in the state's new Farmland Security Zone program enacted by the State Legislature in 1998 at Article 7 commencing with Section 51296 of the Williamson Act which provides, among other things, for a longer contract term than the present rolling ten year term.

**NOW, THEREFORE, THE COUNTY OF _____ AGREES
AS FOLLOWS:**

1. The County establishes Farmland Security Zone No. _____ which encompasses the parcels described in Exhibit A, attached and incorporated by this reference.
2. The Owner(s) of Parcel(s) No. _____ on Exhibit A, who are now parties with the County under a Williamson Act Land Preservation Contract covering that parcel(s) request(s) that the contract be rescinded so that Owner(s) and County may enter into a Farmland Security Zone contract on the property.
3. The County agrees to the contract rescission requested and agrees to enter into the requested Farmland Security Zone contract.

ON THE MOTION OF Supervisor _____, seconded by
Supervisor _____, the foregoing resolution was duly passed and adopted
by the Board of Supervisors of the County of _____, State of California, this
____ day of _____, 1999, by the following vote:

Ayes:

Noes:

Absent:

Chairman, Board of Supervisors

ATTEST:

Clerk, _____ County
Board of Supervisors

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**FARMLAND SECURITY ZONE CONTRACT FOR
_____ COUNTY**

FARMLAND SECURITY ZONE CONTRACT

THIS CONTRACT made and entered into this _____ day of _____, by and between the **COUNTY OF _____**, a political subdivision of the State of California, hereinafter called "County" and _____, hereinafter called "Owner."

WHEREAS, Owner possesses certain real property located within the County of _____, State of California, which is presently devoted to the production of food and fiber and is described in Exhibit A attached hereto and made a part hereof; and

WHEREAS, the property is located in agricultural preserve No. _____ heretofore established by County Resolution No. _____; and

WHEREAS, the property is the subject of a contract between Owner and County intended to limit the use of the property to agricultural production and compatible uses under the provisions of the California Land Conservation Act of 1965, as amended, (the Williamson Act) at Chapter 7 (commencing with Section 51200), Part 1, Division 1, Title 5 of the Government Code; and

WHEREAS, this contract was entered into _____ and at the expiration of each year of its term an additional year is automatically added to its term so that on the anniversary date of the contract there is always a period of ten (10) years remaining on the contract term unless on the anniversary date a notice of non-renewal is served on the other party and recorded by the non-renewing party, Owner or County; and

WHEREAS, the County of _____ in keeping with the intent of the Legislature in enacting during the 1998 legislative session a program for the establishment by the various counties of Farmland Security Zones under Article 7 of the Williamson Act commencing with Section 51296, intended to encourage the creation of longer term voluntary enforceable restrictions within agricultural preserves; and

WHEREAS, the County has established a farmland security zone (Farmland Security Zone No. _____, Resolution No. _____) in accordance with the requirements of Government Code Section 51296 which contains, within its boundaries, the property of owner; and

WHEREAS, owner desires to continue to limit the use of the property to agricultural and compatible uses for a period greater than is now required under the existing contract with the County; and

WHEREAS, the property meets one or all of the criteria specified in Government Code Section 51296(i) for farmland security zone property;

NOW, THEREFORE, County and Owner agree as follows:

1. **RESCISSION OF CURRENT CONTRACT FOR THE PURPOSES OF ENTERING INTO A FARMLAND SECURITY ZONE CONTRACT.**

The existing Williamson Act Land Preservation Contract between County and Owner pertaining to the property entered into _____ is rescinded.

In its place the County and Owner enter into this Farmland Security Zone Contract pertaining to the property in accordance with the Williamson Act provisions for Farmland Security Zone contracts under Article 7 commencing with Section 51296. This contract is subject to all of the Farmland Security Zone provisions of the Williamson Act as presently existing and which in the future may be enacted.

In the event of a final judgment by any appellate level court of competent jurisdiction which finds all or any part of the farmland security zone legislation invalid, void, or unenforceable, this Farmland Security Zone Contract shall terminate and the predecessor rescinded Williamson Act Land Preservation Contract on the property shall be reinstated on the same terms and conditions as existed at the time of the termination including the term of years which remained under the contract at the time of its termination. Automatic one-year extensions under the reactivated Williamson Act Land Preservation Contract will continue until a notice of non-renewal is served upon either party by the other.

2. **RESTRICTION ON USE OF PROPERTY.**

During the term of this contract, and any and all renewals thereof, the property described in Exhibit A shall not be used by Owner, or Owner's successors in interest, for any purpose other than the production of food and fiber for commercial purposes and uses compatible thereto. A list of all such compatible uses is set forth in Exhibit B, attached hereto and by this reference incorporated herein. Notwithstanding the compatible uses set forth in Exhibit B, County and Owner understand and agree that in accordance with Government Code Section 51296(h) the compatible use provisions contained in Government Code Section 51238.1(c) are not applicable to farmland security zone property.

3. **TERM OF CONTRACT.**

This contract shall become effective on the _____ day of _____, and shall remain in full force and effect for an initial term of twenty years. The initial term of twenty years shall be measured commencing as of the first day of January next succeeding the date of execution. Each succeeding first day of January shall be deemed to be the annual renewal or anniversary date of this contract. This contract shall be automatically

renewed on each succeeding January 1 and one additional year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in paragraph 4.

4. NOTICE OF NONRENEWAL.

If either party desires in any year not to renew this contract, that party shall serve written notice of nonrenewal upon the other party in advance of the annual renewal date of this contract. Unless written notice of nonrenewal is served by Owner at least 90 days prior to the renewal date, or by County at least 60 days prior to the renewal date, this contract shall be considered renewed as provided in paragraph 3 above.

If either party serves written notice of nonrenewal in any year within the time limits provided above, this contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of this contract, as the case may be.

5. NO COMPENSATION

Owner shall not receive any payment from County in consideration of the obligations imposed under this contract, it being recognized and agreed that the consideration for the execution of this contract is the substantial benefit to be derived therefrom, and the advantage that may accrue to Owner as a result of the effect upon the assessed value of the property on account of the restrictions on the use of the property contained herein which because of this Farmland Security Zone contract will result in the property being valued for assessment purposes in accordance with the provisions of Revenue and Tax Code Section 423.4.

6. SUCCESSORS IN INTEREST

This contract and the restrictions imposed hereunder shall run with the property described in Exhibit A and shall be binding upon the heirs, executors, administrators, trustees, successors, and assigns of Owner.

Notwithstanding the foregoing, each new Owner who succeeds to ownership of the property shall be obliged to execute a new contract identical to or more restrictive than this contract.

This contract shall be transferred from County to any succeeding city or county acquiring jurisdiction over the property described in Exhibit A. On the completion of annexation proceedings by a city, that city shall succeed to all rights, duties and powers of the County under this contract for that portion of the property described in Exhibit A which may be annexed to the city.

7. DIVISION OF LAND

The property described in Exhibit A shall not be divided without the written approval of the County first had and obtained. This contract is divisible in the event the property described in Exhibit A is divided. Owner agrees to submit any proposed division to County for its approval and County, if it approves the division, shall, as a condition of its approval of the division, require the execution by Owner of a contract identical to this contract on each parcel created by the division. Owner agrees to execute such contract. Any proposed division of land under this contract shall be the subject of a noticed public hearing at the conclusion of which written findings shall be made, based on substantial evidence in the record, demonstrating that the division is consistent with the goals and purposes of the Williamson Act and the Farmland Security Zone program, that there will be no loss in the production of food and fiber within the farmland security zone as a consequence of the division, and that the size of each parcel remaining following the division is economically viable for continued agricultural production.

During the term of this contract no additional, separate legal parcels currently making up the property described in Exhibit A, which may be based on previous patent or deed conveyances, subdivisions, or surveys, may be recognized by a Certificate of Compliance under Government Code §66499.35. Owner agrees not to apply during the term of the contract for, or otherwise seek recognition of, additional legal parcels within the property based on a Certificate of Compliance.

8. CONDEMNATION

When any action in eminent domain for the condemnation of the fee title of any land described in Exhibit A is filed or when such land is acquired in lieu of eminent domain for a public improvement by a public agency or person, or whenever there is any such action or acquisition by the federal government, or any person, instrumentality or agency acting under authority or power of the federal government, excluding those circumstances in which under the provisions of Government Code Section 51296 eminent domain is not permitted, this contract becomes null and void as to the land actually being condemned or so acquired as of the date the action is filed or so acquired. If after acquiring, the acquiring public agency determines to not use the land for the purpose for which it was acquired, the provisions of Government Code Section 51295 shall be applicable for reenrolling the land in a farmland security contract or similar enforceable deed restriction contract with terms at least as restrictive as those provided in this contract.

9. CANCELLATION

This contract may not be cancelled under the provisions of Article 5, Chapter 7 (commencing with Government Code Section 51280), Part 1, Division 1, Title 5 of the Government Code, but rather cancellation of a Farmland Security Zone contract is to be

governed only by the provision for such, if any, as may be provided under Article 7, Farmland Security Zones, commencing with Government Code Section 51296.

10. NOTICES

All notices required or permitted by this contract shall be given in writing and may be mailed or delivered in person. If mailed, the address of Owner shall be the last known address on the assessment record of County, and County's address shall be In Care of Board of Supervisors, Courthouse _____, California _____, and deposit in the mail, postage prepaid, shall be deemed receipt thereof.

11. ENFORCEMENT

In the event of breach of this contract, including but not limited to (1) incompatible use, or (2) failure of successors in interest to sign a contract similar to this one, or (3) failure to obtain the approval of the Board of Supervisors for a division of the land under contract, all the affected property under contract shall be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1.

However, such reassessment for the period encompassed by the breach shall not terminate the contract. Reassessment shall be in addition to the other remedies available to the County including, but not limited to, an action to enforce the contract by specific enforcement or injunction under Government Code Section 51251.

In addition to the remedies available to the County, owner, or other landowner as specified in Government Code Section 51251, the State, because of its fiduciary role in ensuring the appropriate disbursement of subvention funds under Government Code Sections 16142 through 16144, may intervene in any legal proceeding commenced in accordance with the provisions of this contract and may in addition, through its Department of Conservation, independently enforce any provision of this contract, or any provision of the Williamson Act or the Farmland Security Zone program to which this contract is subject, if any violation of the provisions of this contract, the Williamson Act, or the Farmland Security program have not been corrected following 90 days notice of the violation by the Department of Conservation to either or both of the parties to this contract.

If incompatible uses during the period of breach have diminished the ability of the property to contribute to the production of food and fibre on the lien date, the property shall be reassessed at full cash value.

The period of breach is the period commencing upon breach as set forth above, and ending upon cure of the breach. If the lien or assessment date falls within the period of the breach, all the property under this contract will be reassessed at full cash value pursuant to Revenue and Taxation Code Section 110.1.

STATE OF CALIFORNIA
COUNTY OF _____

On _____ (date), before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subject to the within instrument and acknowledged to me that he/she/they executed the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

[SEAL]

12. PUBLIC HEARING AND FINDINGS REQUIRED

Any proposal to modify the provisions of this contract for any reason whatsoever shall be subject to a noticed public hearing, including a 10 day written notice to the California Department of Conservation, at the conclusion of which written findings shall be made, based on substantial evidence in the record, demonstrating that the proposed modifications are consistent with the goals and purposes of the Williamson Act and the Farmland Security Zone program.

IN WITNESS WHEREOF the parties have caused this contract to be executed by Owner on the date affixed next to the signature of each, and by County on the date affixed next to the signature of the chairperson of the Board of Supervisors.

Dated: _____ COUNTY OF _____

By: _____
Board of Supervisors

ACKNOWLEDGMENT

State of California)
): ss.
County of _____)

On _____ (date), before me _____, Clerk of the Board of Supervisors, in and for said County and State, personally appeared _____, known to me to be the person who executed the within instrument on behalf of said political subdivision, and acknowledge to me that such County of _____ executed the same.

Clerk of the Board of Supervisors of
_____ County, State of California

By: _____
Deputy

Dated: _____
Owners

Dated: _____
Owners

EXHIBIT "A"

REAL PROPERTY DESCRIPTION

EXHIBIT "B"

FARMLAND SECURITY ZONE AGREEMENT
COMPATIBLE USES

The following is a list of land uses determined to be compatible with the agricultural use of the land subject to this agreement and consistent with the principles of compatibility found in Government Code Section 51238.1:

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